

**A** *udit*

**R** *eport*



DEFENSE INFORMATION SYSTEMS AGENCY S  
ACQUISITION MANAGEMENT OF THE  
GLOBAL COMBAT SUPPORT SYSTEM

Report No. D-2000-142

June 9, 2000

Office of the Inspector General  
Department of Defense

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**Acronyms**

DISA  
GCSS

Defense Information Systems Agency  
Global Combat Support System



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202

June 9, 2000

MEMORANDUM FOR DIRECTOR DEFENSE INFORMATION SYSTEMS AGENCY

SUBJECT: Audit Report on the Defense Information Systems Agency's Acquisition  
Management of the Global Combat Support System  
(Report No. D-2000-142)

We are providing this report for information and use. We considered management comments on a draft of this report in preparing the final report.

Comments on the draft of this report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Charles M. Santoni at (703) 604-9051 (DSN 664-9051) (csantoni@dodig.osd.mil) or Mr. David M. Wyte at (703) 604-9027 (DSN 664-9027) (dwyte@dodig.osd.mil). See Appendix B for the report distribution. The audit team members are listed on the inside back cover.

A handwritten signature in black ink, reading "Robert J. Lieberman", is positioned above the typed name.

Robert J. Lieberman  
Assistant Inspector General  
for Auditing

## Office of the Inspector General, DoD

**Report No. D-2000-142**

(Project No. D2000AL-0087.000)

(Formerly Project No. 0AL-0108)

**June 9, 2000**

### **Defense Information Systems Agency's Acquisition Management of the Global Combat Support System**

#### **Executive Summary**

**Introduction.** This report discusses the Defense Information Systems Agency's acquisition of the Global Combat Support System. The Global Combat Support System is an infrastructure investment that allows users worldwide access to shared data and applications regardless of their location.

The Global Combat Support System is a Special Interest Initiative subject to the Defense Chief Information Officer's review and is in the Production, Fielding/Deployment, and Operational Support acquisition phase. The Global Combat Support System is one of the Defense Information Systems Agency's core mission areas and has been identified as a management control assessable unit. The Assistant Secretary of Defense (Command, Control, Communications, and Intelligence); the Director for Logistics, Joint Staff; and the General Officer Steering Group share acquisition and functional oversight of the Global Combat Support System.

The Defense Information Systems Agency expects to complete an operational version of the Global Combat Support System by the end of FY 2000. From its inception in FY 1996 through FY 2000, funds totaling \$125 million have been appropriated for the information technology acquisition. Further, an additional \$179 million has been programmed for the Global Combat Support System through FY 2005. The Defense Information Systems Agency plans to restructure the acquisition by implementing an evolutionary phased business process in FY 2001.

**Objectives.** The overall objective was to evaluate the acquisition management of the Global Combat Support System by the Defense Information Systems Agency. Specifically, we determined whether the Defense Information Systems Agency was effectively acquiring and preparing the Global Combat Support System for deployment and life-cycle support in accordance with DoD and Office of Management and Budget guidance. In addition, we evaluated the management control program as it related to the objective.

**Results.** The Defense Information Systems Agency had not established management accountability for effectively acquiring and preparing the Global Combat Support System for deployment and life-cycle support as required by DoD and Office of Management and Budget guidance. As a result, the Defense Information Systems

Agency could not determine whether resources invested in the Global Combat Support System acquisition provide quality and timely products to users within life-cycle estimates; and therefore, by the beginning of FY 2001, they plan to implement a performance-based measurement system in order to integrate management accountability into the Global Combat Support System acquisition.

The management control recommendation in this report, if implemented, will improve the effectiveness and efficiency of the Global Combat Support System investment. See the Finding section for details of the audit results and Appendix A for details on the Global Combat Support System management control program.

**Summary of Recommendation.** We recommend that the Director, Defense Information Systems Agency, revise the management control plan for Global Combat Support System to ensure that management control objectives, techniques, and evaluations correlate to the 1993 Government Performance and Results Act, 1994 Federal Acquisition Streamlining Act, and 1996 Clinger-Cohen Act.

**Management Comments.** The Deputy Director for the Defense Information Systems Agency's C4 and Intelligence Programs Integration Directorate concurred with the report finding and recommendation. A discussion of management comments is in the Finding section of the report, and the complete text of the management comments is in the Management Comments section.

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## Background

The Defense Information Systems Agency's (DISA) investment in the Global Combat Support System (GCSS) implements the DoD Joint Vision 2010 warfighting strategy<sup>1</sup>. The GCSS is an infrastructure investment that allows users worldwide access to shared data and applications regardless of their location. The GCSS will provide a consolidated data source to manage and monitor units, personnel, and equipment from mobilization through deployment, employment, sustainment, redeployment, and demobilization.

The GCSS is a core mission area and has been identified as a management control assessable unit. The Director for Logistics, Joint Staff (J4) is the functional proponent for GCSS and shares the acquisition and functional oversight with the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence), and the General Officer Steering Group<sup>2</sup>. The GCSS is a Special Interest Initiative subject to Defense Chief Information Officer review and is in the production, fielding/deployment, and operational support acquisition phase.

DISA estimated that it will invest approximately \$304 million in the GCSS from FY 1996 through FY 2005. System life-cycle costs in FY 1997 dollars were estimated to be \$333 million. In FY 1999, Congress reduced the GCSS budget request from \$31 million to \$20 million because it did not accept the DISA justification for the increased funding.

DISA developed and deployed prototype versions of the GCSS and plans to release and deploy an operational version by the end of FY 2000. Development and operations costs are expected to total \$125 million; however, costs for releases and deployments could not be separately determined because DISA did not follow a structured acquisition business process to identify version costs.

DISA plans to initiate an evolutionary phased business process in FY 2001. Following a planning, programming, and budgeting system for capital investments, DISA will be able to measure acquisition effectiveness by comparing GCSS results with approved baseline cost, schedule, and milestone values.

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<sup>1</sup>Joint Vision 2010 is the joint warfighting strategy for the early 21st century that provides common direction to the military departments.

<sup>2</sup>The General Officer Steering Group is a integrated product team of flag and general officers from the Joint Staff directorates, Services, Defense Logistics Agency, combatant commands, OSD principal staff assistants, and DISA that provide centralized direction to the GCSS.

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## Objective

The overall objective was to evaluate the acquisition management of the GCSS by DISA. We selected the GCSS because of its importance as an enabling system for the Joint Vision 2010 warfighting strategy. Specifically, we determined whether DISA was effectively acquiring and preparing the GCSS for deployment and life-cycle support in accordance with DoD and OMB guidance. In addition, we evaluated the management control program related to the objective. See Appendix A for a discussion of the audit scope and methodology, prior coverage, and the management control program review.



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## Management Accountability

Management accountability was insufficient for effectively acquiring and preparing the GCSS for deployment and life-cycle support as required by DoD and Office of Management and Budget guidance. This condition occurred because DISA had not managed the GCSS as a capital acquisition with cost, schedule, and performance baselines linked to mission area planning, budgeting, project management, accounting, and auditing cycles. As a result, DISA could not determine whether resources invested in the GCSS acquisition provide quality and timely products to users within life-cycle estimates; and therefore, by the beginning of FY 2001, DISA plans to implement a performance-based measurement system in order to integrate management accountability into the GCSS acquisition.

## Mandatory Guidance

**Office of Management and Budget Circular A-11, Part 3.** Office of Management and Budget Circular A-11, Part 3, "Planning, Budgeting and Acquisition of Capital Assets," June 1997, provides guidance to agencies on planning, budgeting, and acquiring capital assets for major programs. The Circular establishes project accountability for acquisition investments and a reporting mechanism that provides senior management with timely information for evaluating portfolio investments and exercising trade-off decisions among competing systems. The Circular provides instructions and a reporting format, Exhibit 300B, "Capital Asset Plan and Justification," which agencies are required to attach to budget submissions. The reported information on the Exhibit measurably demonstrates how investments made in information technology support agency programs comply with the 1993 Government Performance and Results Act<sup>3</sup>, the 1994 Federal Acquisition Streamlining Act<sup>4</sup>, and the 1996 Clinger-Cohen Act<sup>5</sup>.

**Office of Management and Budget Circular A-109.** Office of Management and Budget Circular A-109, "Major Systems Acquisitions," April 1976, provides policies for the acquisition management of major systems. The Circular requires that acquisition programs maintain capabilities to:

- predict, review, assess, negotiate, and monitor program costs;
- assess acquisition cost, schedule, and performance experience against predictions, and report on such assessments;

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<sup>3</sup>The 1993 Government Performance and Results Act (Public Law 103-62) requires agencies to set results-oriented goals, measure performance, and report on their accomplishments.

<sup>4</sup>The 1994 Federal Acquisition Streamlining Act (Public Law 103-355) requires that if a project deviates from cost, schedule, and performance goals, the agency head is required to conduct a timely review of the project and identify appropriate corrective actions.

<sup>5</sup>The 1996 Clinger-Cohen Act (Division E of Public Law 104-106) requires Federal agencies to implement a process for maximizing the value and assessing and managing the risks of agency information technology acquisitions.

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- make new assessments where significant cost, schedule, or variances occur;
  - estimate life-cycle costs during system design-concept evaluation and update cost estimates throughout the acquisition life cycle to evaluate appropriate trade-offs among investment costs, ownership costs, schedules, and performances; and
  - use independent cost estimates for comparisons, where feasible.

**Office of Management and Budget Circular A-123.** Office of Management and Budget Circular A-123, “Management Accountability and Control,” June 1995, implements the Federal Managers’ Financial Integrity Act of 1982 (31 U.S.C. 3512). The Circular defines management controls as the organization, policies, and procedures used to reasonably ensure that programs achieve their intended results; resources are consistent with the agency mission; programs are protected from waste, fraud, and mismanagement; laws and regulations are followed; and reliable and timely information is obtained, maintained, reported and used for decision making. Further, the Circular requires management controls to be an integral part of the mission area planning, budgeting, management, accounting, and auditing cycles.

**DoD Directive 5000.1.** DoD Directive 5000.1, “Defense Acquisition,” March 1996, implements Office of Management and Budget Circulars A-109 and A-123. The Directive states that the primary objective of the defense acquisition system is to acquire quality products that satisfy the needs of operational users with measurable improvements to mission accomplishments, in a timely manner, at a fair and reasonable price. Further, the Directive requires that:

- rigorous internal management control systems are integral to effective and accountable program management;
- control objectives for acquisition cost, schedule, and performance parameters are embodied in Acquisition Program Baselines; and
- material weaknesses are identified through deviations from approved Acquisition Program Baseline parameters and exit criteria.

## **GCSS Project Management**

DISA did not manage its acquisition of the GCSS as a capital investment. Therefore, GCSS information documented in DISA Information Technology Budget Exhibits (Exhibit 300B) and quarterly reports to the Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) did not demonstrate whether GCSS acquisition accomplishments were less than, equal to, or more than desired cost, schedule, and performance thresholds.

**Budget Submissions.** DISA did not follow guidance in the Office of Management and Budget Circular A-11, Part 3, when it submitted its GCSS Exhibit 300B budget submissions to the Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) for FYs 1999, 2000, and 2001. DISA described past and current accomplishments, performance goals, and program processes. The GCSS submissions did not provide oversight

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personnel with timely and objective progress reports for evaluating portfolio investments and exercising trade-off decisions amongst competing systems. DISA submissions did not address:

- results-oriented goals and performance measurement effectiveness and accomplishments as required by the 1993 Government Performance and Results Act;
- reviews of projects and identification of appropriate corrective actions when results deviated from cost, schedule, and performance goals as required by the 1994 Federal Acquisition Streamlining Act; and
- processes for maximizing the value of and assessing and managing information technology risks as required by the 1996 Clinger-Cohen Act.

DISA did not link actual work accomplished with GCSS life-cycle acquisition cost, schedule, and milestone baselines for reporting program effectiveness and accomplishments. Without a performance-based management system, DISA could not objectively determine and report whether investments made in the GCSS acquisition would optimally support and advance Joint Vision 2010 goals and objectives and provide quality and timely products to users within life-cycle estimates.

**Quarterly Reports.** DISA quarterly reports submitted to the Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) did not include relevant acquisition cost, schedule, and milestone information for GCSS that affected the investment's outcome. The Program Manager's assessments in FYs 1999 and 2000 quarterly reports did not report deviations from baseline values despite an \$11 million budget reduction directed by Congress and requirement enhancements resulting from operation and evaluation tests. Further, the Assistant Secretary accepted the quality of the reported information and did not request additional information relating to the progress and effectiveness of the acquisition.

**Program Deviations.** Because DISA did not have a performance-based business process to measure life-cycle progress, program deviations did not exist for the GCSS acquisition. DISA measured GCSS program results and effectiveness by the number of annual software and hardware releases and versions and GCSS supported exercises, and did not determine and report the quality of annual products in terms of cost, timeliness, and capability to meet specified requirements. If planned releases and version deliveries of software and hardware had to be reduced or exercises delayed, DISA slipped them to future year budgets without reporting the program deviations. DISA did not indicate the effect of reductions and delay deviations on life-cycle acquisition costs. GCSS life-cycle acquisition costs of \$333 million remained unchanged from FY 1997 through FY 2000.

**Budget Reduction and Test Results.** The DISA quarterly reports for FY 1999 did not explain how the \$11 million GCSS budget reduction affected the progress of its acquisition investment. Rather than reporting to the Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) that eight exercises had to be rescheduled and that capability

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support, site, survey, and installation requirements had to be delayed at two unified commands, quarterly submissions continually signaled positive green-light indicators for GCSS program costs, funding, schedule, requirements, technical risks, contracts, staffing, test and evaluation, and training. Further, quarterly reports did not state that operation and evaluation tests for Version 1.4 resulted in 22 additional requirements and that 11 of them would be included in the planned operational version of the GCSS.

## **Project Management Control**

DISA had not integrated project management controls into its GCSS acquisition. Baselines for cost, schedule, and performance that linked mission area planning, budgeting, project management, accounting, and auditing cycles had not been established and applied to control objectives. As a result, DISA was unable to:

- measure program results and effectiveness by tracing system requirements to system products, and
- manage risks by continually identifying, assessing, and monitoring issues affecting planned outcomes.

**System Requirements to Products.** System requirements could not be linked to system products because the DISA business process for funding GCSS did not recognize the acquisition as a life-cycle capital investment. Annually, DISA developed budgets to acquire GCSS products; however, they did not directly link to acquisition cost, schedule, and performance life-cycle determinations, and requirements were not baselined to GCSS products. As a result, DISA did not have a management control objective for GCSS with control techniques for measuring program results and effectiveness and for determining deviations.

**Risk Management.** DISA did not have processes in place to continually evaluate, assess, and monitor risks. In October 1995, DISA prepared a risk analysis as part of its GCSS implementation plan to address costs of integration and fielding, program synchronization, and hardware and software component integration. DISA rated the three categories as moderate risks. However, DISA did not proactively track and update the identified individual risk areas when it initiated the GCSS acquisition in FY 1996.

Risks are inherent in all capital asset acquisitions. Risk management involves monitoring known risks, identifying evolving risks, and developing changing strategies or actions to mitigate risks. DISA stated in its GCSS implementation plan that it would use normal project oversight tracking of costs and deviation from schedules to identify and review cost and schedule risks. However, because DISA did not initiate a performance-based management system for tracking costs, schedule, and milestones over the GCSS life cycle, it could not effectively manage risks and respond to evolving deviations.

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## Management Control Plan

The DISA management control plan for the GCSS did not include program cost, schedule, and performance baseline objectives and did not follow agency guidance. Evaluations did not follow plan schedules, and evaluation reports did not determine whether control techniques were in place for monitoring program results and effectiveness.

**Guidance.** DISA Instruction 630-125-6, "Management Control Program," October 22, 1997, implements Office of Management and Budget Circular A-123, "Management Accountability and Control." The instruction states that management controls are a means of managing risk. Each assessable unit is required to:

- develop and document control techniques that are linked to specific program objectives, and
- evaluate control techniques to determine whether mechanisms are in place to ensure that control objectives are met.

**Objectives and Evaluations.** DISA management control plan objectives and evaluations did not demonstrate whether DISA was managing risk. The plan identified 11 control objectives in 8 test areas but did not identify control techniques included in cost, schedule, and performance baselines. Specifically, the 5-year management control plan did not document any control techniques for:

- core component reuse,
- project control,
- functional integration,
- planning development,
- financial planning,
- customer planning,
- contract management, and
- program management.

Further, when DISA did evaluate management control objectives, it did not follow plan schedules, and the results did not conclude whether control techniques were in place for measuring program results and effectiveness.

In FY 1998, DISA planned to evaluate project control; however, the evaluation did not occur, nor was the rationale for its absence documented. In FY 1999, DISA evaluated functional integration and planning development. The evaluation report did not make any conclusions; it documented accomplishments and technical test results with information similar to that reported in one of the DISA FY 1999 quarterly reports. As a result, DISA did not have an effective management control program with objectives, techniques, and evaluations demonstrating that the acquisition structure of the GCSS investment would achieve intended program results.

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## Conclusion

DISA did not manage its GCSS acquisition as a capital investment. The DISA business process for managing its investment and reporting results to the Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) did not follow a disciplined acquisition system life-cycle approach. Management control cost, schedule, and milestone baselines linked to mission area planning, budgeting, project management, accounting, and auditing cycles were not integrated into the GCSS acquisition business process. Without baselines for measuring results and determining effectiveness, DISA could not convincingly demonstrate and objectively report whether the \$125 million investment in the GCSS acquisition from FY 1996 through FY 2000 measurably improved operational user mission accomplishments, in a timely manner, at a fair and reasonable price.

The inability of DISA to measure GCSS results and determine its effectiveness also affected the ability of decision-makers to manage information technology investments. Without quality information in reports, information technology investments cannot be scored, ranked, and compared to optimize budget resources.

DISA plans to change its business processes for managing the GCSS acquisition. Following a planning, programming, and budgeting system for capital investments, DISA developed an Evolutionary Phased Implementation Plan that will be capable of measuring results and effectiveness by comparing cost, schedule, and milestone baselines with actual accomplishments. By implementing a performance-based measurement system that links with processes addressing technical solutions, systems support, risk management, testing, and economic analysis by the beginning of FY 2001, DISA believes that management accountability will be provided to the GCSS acquisition investment. Accordingly, this report does not contain recommendations addressing project management for the GCSS acquisition.

However, to ensure that the implementation of the Evolutionary Phased Implementation Plan establishes an effective performance-based measurement system and to test and ensure that business processes demonstrate quality project accountability, DISA needs to revise its management control plan for the GCSS assessable unit. The management control plan should link control objectives, techniques, and evaluations for maximizing value and assessing and managing information technology risks to results-oriented goals, accomplishments, and measures of effectiveness.

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## Recommendation and Management Comments

**We recommend that the Director, Defense Information Systems Agency revise the Global Combat Support System Management Control Plan to include management control objectives, techniques, and evaluations that correlate to the:**

- **1993 Government Performance and Results Act for results-oriented goals, performance measurement, and accomplishments;**
- **1994 Federal Acquisition Streamlining Act for timely reviews of projects and identify corrective actions when results deviate from cost, schedule, and performance goals; and**
- **1996 Clinger-Cohen Act processes for maximizing the value and assessing and managing information technology risks.**

**Management Comments.** The Deputy Director, for C4 and Intelligence Programs Integration Directorate, commenting for the Defense Information Systems Agency, concurred and stated that the Defense Information Systems Agency is taking actions to comply with the Acts. By September 2000 the Global Combat Support System management control plan will be revised and more robust economic analyses and life cycle cost estimates will be included in the Evolutionary Phased Implementation Plan. The complete text of management comments is in the Management Comments section.

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## Appendix A. Audit Process

### Scope

We conducted the program audit from October 1999 through April 2000 and reviewed documentation dated from September 1995 through March 2000. To accomplish the audit objective, we:

- interviewed officials and obtained documentation from the offices of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence), DISA, and the GCSS Program Management Office;
- reviewed available GCSS documents covering program requirements, program definition, program assessments and decision reviews, periodic reporting, and program management and oversight;
- reviewed FYs 1999, 2000, and 2001 budget submissions and FYs 1999 and 2000 appropriation funding and execution documents; and
- evaluated the adequacy of management controls related to the GCSS acquisition, including management's self-evaluation of management controls applicable to the acquisition.

**DoD-Wide Corporate Level Government Performance and Results Act (GPRA) Coverage.** In response to the GPRA, the Secretary of Defense annually establishes DoD-wide corporate level goals, subordinate performance goals, and performance measures. This report pertains to achievement of the following goal, subordinate performance goals, and performance measure.

**FY 2000 DoD Corporate Level Goal 2:** Prepare now for an uncertain future by pursuing a focused modernization effort that maintains U.S. qualitative superiority in key warfighting capabilities. Transform the force by exploiting the Revolution in Military Affairs, and reengineer the Department to achieve a 21st century infrastructure. **(00-DoD-2)**

- **FY 2000 Subordinate Performance Goal 2.3:** Streamline the DoD infrastructure by redesigning the Department's support structure and pursuing business practice reforms. **(00-DoD-2.3)**

**Performance Measure 2.3.5:** Visibility and Accessibility of DoD Materiel Assets. **(00-DoD-2.3.5)**

- **FY 2001 Subordinate Performance Goal 2.5:** Improve DoD financial and information management. **(01-DoD-2.5)**

**Performance Measure 2.5.3:** Qualitative Assessment of Reforming Information Technology Management. **(01-DoD-2.5.3)**



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**DoD Functional Area Reform Goals.** Most major DoD functional areas have also established performance improvement reform objectives and goals. This report pertains to achievement of the following functional area objectives and goals:

**Information Technology Management Functional Area.**

- **Objective.** Provide services that satisfy customer information needs.  
**Goal.** Modernize and integrate Defense Information Infrastructure. (ITM 2.2)  
**Goal.** Improve information technology management tool. (ITM-2.4)
- **Objective.** Reform information technology management processes to increase efficiency and mission contribution.  
**Goal.** Institutionalize provisions of the Information Technology Management Reform Act of 1996. (ITM 3.1)  
**Goal.** Institute fundamental information technology management reform efforts. (ITM 3.2)

**General Accounting Office High-Risk Area.** The General Accounting Office has identified several high-risk areas in the DoD. This report provides coverage of the Information Management and Technology high-risk area.

## **Methodology**

We conducted this program audit in accordance with auditing standards issued by the Comptroller of the United States, as implemented by the Inspector General, DoD. Accordingly, we included tests of management controls considered necessary. We did not use computer-processed data or statistical sampling procedures to perform this audit.

**Contacts During the Audit.** We visited or contacted individuals and organizations within DoD. Further details are available upon request.

## **Management Control Program**

DoD Directive 5010.38, "Management Control (MC) Program," August 26, 1996, requires DoD managers to implement a comprehensive system of management controls that provides reasonable assurance that programs are efficiently and effectively carried out in accordance with applicable law and management policy and to evaluate the adequacy of those controls.

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**Scope of Review of the Management Control Program.** In accordance with DoD Directive 5000.1, "Defense Acquisition," March 15, 1996, and DoD 5000.2-R, "Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated information System (MAIS) Acquisition Programs," March 15, 1996, acquisition managers are to apply programs cost, schedule, and performance parameters to control objectives for implementing DoD Directive 5010.38 requirements. Accordingly, we limited our review to management controls directly related to the DISA acquisition of GCSS. We also reviewed management's self-evaluation of management controls applicable to the acquisition of the GCSS.

**Adequacy of the Management Control Program.** Management controls were inadequate. We identified a material management control weakness, as defined by DoD Instruction 5010.40, "Management Control (MC) Program Procedures," August 28, 1996. DISA had not integrated cost, schedule, and performance parameters into its management control plan for the GCSS acquisition. Control objectives, techniques and evaluations for monitoring results and effectiveness did not link to mission area planning, budgeting, project management, accounting, and auditing cycles. If implemented, our recommendation to the Director, DISA, will correct the identified weakness. We will provide a copy of this report to the senior official responsible for management controls in DISA.

**Adequacy of Management's Self-Evaluation.** DISA identified the GCSS Office as an assessable unit. However, management did not identify the material management control weakness because they performed an inadequate self-evaluation.

## **Prior Coverage**

During the last 5 years, no audits have been performed on the Defense Information Systems Agency's Global Combat Support System.

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## **Appendix B. Report Distribution**

### **Office of the Secretary of Defense**

Under Secretary of Defense (Comptroller)  
Deputy Chief Financial Officer  
Deputy Comptroller (Program/Budget)  
Assistant Secretary of Defense (Command, Control, Communications and Intelligence)  
Deputy Under Secretary of Defense (Logistics)  
Director, Defense Logistics Studies Information Exchange

### **Department of the Army**

Auditor General, Department of the Army

### **Department of the Navy**

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Naval Inspector General

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Assistant Secretary of the Air Force (Financial Management and Comptroller)  
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Director, Defense Information Systems Agency  
Comptroller, Defense Information Systems Agency  
Inspector General, Defense Information Systems Agency  
Director, Defense Logistics Agency  
Director, Joint Staff  
Director for Logistics (J-4)  
Director for Command, Control, Communications and Computers  
Systems Directorate (J-6)  
Director, National Security Agency  
Inspector General, National Security Agency  
Inspector General, Defense Intelligence Agency

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## **Non-Defense Federal Organizations**

Office of Management and Budget  
General Accounting Office  
National Security and International Affairs Division  
Technical Information Center

## **Congressional Committees and Subcommittees, Chairman and Ranking Minority Member**

Senate Committee on Appropriations  
Senate Subcommittee on Defense, Committee on Appropriations  
Senate Committee on Armed Services  
Senate Committee on Governmental Affairs  
House Committee on Appropriations  
House Subcommittee on Defense, Committee on Appropriations  
House Committee on Armed Services  
House Committee on Government Reform  
House Subcommittee on Government Management, Information, and Technology,  
Committee on Government Reform  
House Subcommittee on National Security, Veterans Affairs, and International  
Relations, Committee on Government Reform

# Defense Information Systems Agency



IN REPLY  
REFER TO:

C4 & Intelligence Program  
Integration Directorate (D2)

## DEFENSE INFORMATION SYSTEMS AGENCY

C4 & INTELLIGENCE PROGRAM INTEGRATION DIRECTORATE  
701 S. COURTHOUSE ROAD  
ARLINGTON, VIRGINIA 22204-2199

30 MAY 2000

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE INSPECTOR GENERAL  
(ATTN: Director, Acquisition Management  
Directorate)

SUBJECT: Audit Report on the Defense Information  
Systems Agency's Acquisition Management  
of the Global Combat Support System  
(Project No. D2000AL-0087.000) (formerly  
Project No. OAL-0108)

REFERENCE: DoD IG Memo, subject as above, 28 April 2000

1. The subject draft report has been reviewed and the  
following comments are offered:

a. Recommendation, page 9: We recommend that the  
Director, Defense Information Systems Agency revise the  
Global Combat Support System management control plan to  
include management control objectives, techniques, and  
evaluations that correlate to the:

- 1993 Government Performance and Results Act for  
results-oriented goals, performance measurement, and  
accomplishments;
- 1994 Federal Acquisition Streamlining Act for timely  
reviews of projects and identify corrective actions  
when results deviate from cost, schedule, and  
performance goals; and
- 1996 Clinger-Cohen Act processes for maximizing the  
value and assessing and managing information  
technology risks.

Concur with comments. While OSD guidance for implementing  
the above Acts does not specifically address how their  
requirements must be addressed in management control plans,  
we believe DISA is already taking a number of actions to  
address the requirements. For example, DISA addresses both

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DISA Memo, C4 & Intelligence Program Integration  
Directorate, Audit Report on the Defense Information  
Systems Agency's Acquisition Management of the Global  
Combat Support System (Project No. D2000AL-0087.000)  
(formerly Project No. OAL-0108)

actual and planned accomplishments in its budget submissions. DISA also uses a number of oversight activities, such as spend plan reviews and budget briefings to senior DISA managers and OSD Comptroller and ASD(C3I) senior staff, to ensure compliance with the Acts' requirements. Such reviews and briefings address program and project goals, objectives, output, milestones, and costs are part of the management control program and need to be more effective. Therefore, the GCSS management control plan will be revised by September 2000 to document how our existing and additional oversight activities ensure that expected program results will be achieved.

DISA is taking the following two actions to improve our management controls and ensure continued compliance with acquisition regulations. First, we are implementing a metrics program that will address the requirements of the above Acts. Second, we will put in place more robust economic analyses, life cycle cost estimates, etc. These metrics and analyses will be included in the Evolutionary Phase Implementation Plan (EPIP).

b. Material Weakness - Adequacy of the Management Control Program, page 12: Management controls were inadequate. We identified a material management control weakness, as defined by DOD Instruction 5010.40, "Management Control (MC) Program Procedures," August 29, 1996. DISA had not integrated cost, schedule, and performance parameters into its management control plan for the GCSS acquisition. Control objectives, techniques and evaluation for monitoring results and effectiveness did not link to mission area planning, budgeting, project management, accounting and auditing cycles. If implemented, our recommendation to the Director, DISA, will correct the identified weakness.


Concur. We do agree that documentation of DISA's existing oversight activities in the management control plan is inadequate. Therefore, the management control plan will be revised to better document our existing oversight activities such as budget briefings and spend plan reviews.

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DISA Memo, C4 & Intelligence Program Integration  
Directorate, Audit Report on the Defense Information  
Systems Agency's Acquisition Management of the Global  
Combat Support System (Project No. D2000AL-0087.000)  
(formerly Project No. OAL-0108)

As stated above, current oversight activities already in place will be more explicit and additional actions will be initiated to ensure that expected program results will be achieved.

2. The DISA points of contact for this action are Ms. Teddie Lou Steiner at (703) 607-6316 or Mr. Jason Bakker at (703) 607-6607.

  
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Deputy Director





# **Audit Team Members**

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